



AGENDA INFORMATION SHEET

DEPARTMENT: Development Services

CM/DCM/ACM: Cassey Ogden

DATE: November 19, 2024

SUBJECT

Consider adoption of an ordinance providing for acceptance of eligible 212.172 non-annexation agreement(s) for properties that do not have an agricultural, wildlife management or timberland ad valorem tax exemption within an area of land adjacent to and abutting the existing city limits of the City of Denton, Texas, generally identified as PAA-3, an area of approximately 1,075 acres located on the south side of Ganzer Road, north and south of Barthold Road, north of FM 1173, west of I-35; providing for severability; and providing an effective date. (24-2211)

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

BACKGROUND

State law requires the City to offer owners of property the City wishes to annex a Non-Annexation Agreements (NAA) if the property is appraised for tax purposes as having agricultural, wildlife management, or timber use. The City also offered NAAs to properties used only for a single-family residence.

The major requirements included in the NAA's are:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to any proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be divided into smaller parcels through platting with the City but the smallest parcel cannot be less than 5 acres.
- Notification must be provided to the City if the property is sold.
- For properties with an agriculture, wildlife management, or timberland exemption, they are required to provide notice to the City of a change in exemption.

If the property owner does not abide by these requirements, **or if the NAA expires**, the City may proceed with annexation of the property

These initial NAAs were offered in the period between 2010 and 2016 as the City was going through a process of annexing portions of the City's extra-territorial jurisdiction (ETJ). The City of Denton was originally party to approximately 173 NAA's with property owners of land in the ETJ of the City. These NAA's had an original expiration date of August 2020, but Council ultimately directed staff to offer

extensions of the NAA to August 2040. Expired NAA's were last brought to City Council for direction on October 20, 2020 and direction at that point was to continue to work with property owners who had expired NAA's. Following that direction, staff continued to work with property owners and additional NAA's were brought forward to City Council in May 2021.

While a majority of property owners worked with the City to extend their agreements, there were a limited number who never signed new agreements. At this point, there are 11 total expired NAAs representing 15 individual parcels (down from 18 total expired NAA's representing 24 individual parcels).

Staff notified City Council in a Legal Status Report on April 19, 2024, of an effort to reengage the property owners with expired NAA's. Letters to private property owners were mailed in May with follow-up letters in June prior to the response deadline of June 21, 2024.

Of the 18 property owners, 8 have signed updated NAA's and are on the agenda for City Council approval for November 19, 2024.

This property (property ID 37682, 60424) is in the PAA-3 non-annexation area and owned by Meritt Ganzer Holdings LLC.

RECOMMENDATION

Staff recommends approval of the ordinance for the signed NAA to extend the agreement to 2040.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

April 21, 2020- City Council held a closed session regarding expiring NAA's.

August 11, 2020- City Council directed staff to extend NAA expiration to 2040.

October 20, 2020- City Council approved a group of NAA's.

May 4, 2021- City Council approved additional NAA's.

April 19, 2024- Information on outstanding NAA's was provided in a Legal Status Report.

August 16, 2024- Additional information was provided in a Legal Status Report.

August 20, 2024- City Council held a closed meeting

November 19, 2024- Signed NAA's are being considered for approval.

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

Respectfully submitted:
Charlie Rosendahl
Business Services Manager